



LOI # 90099028822

6/24/20

1234 PACIFIC MANAGEMENT, LLC

Re: 1232-1234 Pacific St., Brooklyn, NY 11216

Letter of Interest

Dear Borrower:

Based upon a preliminary review of your loan submission and request for financing, Axos Bank ("Axos" or "Lender") is pleased to issue this Letter of Interest ("LOI") as an expression of interest in considering the loan request described below. Rates and terms may vary depending upon a complete risk assessment, including analysis of collateral quality, the financial capacity of the principals, as well as other factors. This letter is not intended to convey or constitute a commitment, promise, agreement, or offer to lend, but rather to summarize the loan terms that Axos is interested in considering at this time based upon representations and other information provided by you.

Borrower: 1234 PACIFIC MANAGEMENT, LLC

Guarantor(s): Mendy Lowy

Collateral Property Address: 1232-1234 Pacific St., Brooklyn, NY 11216

Loan Amount: \$5,000,000 or 65% LTV as determined by Lender

Minimum DSCR: 1.20

Transaction Type: Refi – Cash In

Initial Interest Rate: 4.90%

Fixed Rate Period: 60 Months

Adjustable Rate Index: 6 Month LIBOR

Adjustable Rate Margin: 3.75%

Floor Rate: 4.90%

Loan Term: 30 years

Amortization Term: 29 years of the term after 1 year interest only

Axos Fee: 0.00%

Broker Loan Fee: 0.00%

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Interest Rate: Commencing upon expiration of the fixed rate period, equal to the Adjustable Rate Index plus the Adjustable Rate Margin.

Adjustment Frequency: Loan payments adjust semi-annually commencing upon expiration of the fixed rate period.

Rate Adjustment Cap: Except for the initial period, 1.00% per adjustment, 6.00% life; Lifetime cap is calculated over start rate.

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Prepayment Premium: The loan is subject to a prepayment premium of ~~5, 4, 3, 2, 1~~% of the loan's first 5 years, thereafter there will be no prepayment premium. Refer to the loan documents for details. The prepayment terms are subject to change if the loan program is changed.

Recourse: Yes

Assumable Loan: Subject to Lender's prior written approval to a qualified Borrower who executes required assumption documents, pays a non-refundable processing fee and a 1.000% Assumption Fee. This is not allowed during the first loan year.

Loan Cost: A Processing/Underwriting Fee of \$2,730 will be charged at loan closing.

Application Deposit: \$7,500

If by wire (preferred method):

Axos Bank
4350 La Jolla Village Dr., Suite 140
San Diego, CA 92122
ABA: 122287251
Acct # 2072400
Attn: Expense Deposit for LOI # 90099028822

If by mail:

Axos Bank
Attn: Income Property Lending Operations, 17th floor,
Expense Deposit for LOI#
4350 La Jolla Village Dr., Suite 140
San Diego, CA 92122

All loan costs and fees, including but not limited to closing escrow fees, legal fees, title insurance changes, recording fees, fees for negotiated or non-negotiated loan documents, RUSH appraisal requests, non-standard environmental review if required, notary fees, documentary and stamp taxes, and broker commissions shall be deducted from the loan proceeds at close of the proposed loan.

Consideration of your application will commence upon receipt by Axos of a complete executed LOI, a Loan Application Package, and the Application Deposit. The Application Deposit is required to evidence your commitment to the application process and to cover third party reports that may include but are not limited to appraisal, credit, environmental reports, and site inspections.

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Please Note: All appraisals or property valuations are subject to a final value determination review, which will be conducted by Axos. Your Application Deposit is not refundable if you fail to proceed with or cooperate in the application process, or cancel or withdraw your application for any reason. In the event your application is denied, Axos will deduct from our Application Deposit the costs that were incurred and refund the difference to you within 30 days of our decision.

If you wish to proceed with an application for the loan described herein, please execute the following acknowledgment and initial each page of this letter. In addition, return this letter along with an Application Deposit Check and Completed Loan Application Package as well as any requested documentation (described above and in "Specific Conditions and Additional Required Documentation" located within Exhibit A), to Axos no later than ten (10) business days from the date of this letter. If these initial items are not received by that date, no further consideration to your loan request will be provided.

You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided you have paid for the appraisal. We must receive your written request no later than 90 days after we notify you of the action taken on your application or you withdraw your application.

The appraisal report will be mailed or delivered within 15 days from receipt of the request, provided payment for the appraisal has been received. If you would like a copy of the appraisal report, contact: Axos Bank at 4350 La Jolla Village Drive, Suite 140, Mailstop 6-IPL, San Diego, California, 92122.

This letter supersedes any and all prior or contemporaneous discussions, representations, offers, or statements whether written or oral, made by Axos or by anyone acting or purporting to act for or on behalf of Axos to you or your agents. No commitments, oral or written, are intended or exist and no oral commitments can be issued. If you have any questions or need additional clarification regarding the matter, please contact Christopher McGowan at 917-833-9224.

Respectfully,

Michael Lorch
VP, Income Property and Commercial Lending

Re: 1232-1234 Pacific St., Brooklyn, NY 11216

Each of the undersigned referred to as the "Borrower(s)/Guarantor(s)", hereby acknowledges that they have read and understood the foregoing, that he or she is authorized to execute this Letter of Interest on behalf of the Borrower(s)/Guarantor(s), and hereby acknowledges that if approved by Axos, he or she would accept a loan in the terms and conditions set forth in this letter. The undersigned hereby request(s) Axos to commence its loan information gathering process and agrees to be bound by all terms and conditions set forth in this letter.

Acknowledged and Accepted:

Signature:

Printed Name:

Title:

Date:

[Handwritten Signature]

Mendy Lowy

Manager

06-26-20





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BANK

Important Information about Procedures for opening a new Account

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information which will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

If your application is denied during the underwriting process; you may have the right to a written statement of the specific reasons for the denial. You will also be provided with documentation of any deposit made, and details of the specific deductions for vendor services rendered. To obtain the statement, please contact Axos Bank at 4350 La Jolla Village Drive, Suite 140, Mailstop 6-IPL San Diego, California, 92122 and telephone 888-833-0555 within 60 days from the date you were notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for statement.

Initial Here ML

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency which administers compliance with this law is the Office of the Comptroller of the Currency, Customer Assistance Group, 1301 McKinney Street, Suite #3450, Houston, TX 77010.

Initial Here ML

Our Underwriters will provide you with a preliminary review of your loan file. To ensure an expedited review of your file, our property inspection vendor (Spectrum) will contact you within 3-5 business days of your loan submission to schedule your Property Inspection. Please do not coordinate an inspection date with your appraisal, as this will delay your loan review.





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Exhibit A

Specific Conditions and Additional Required Documentation:

1. Prior to appraisal, borrower to provide lender with DHCR Registration and a rent roll complete with move-in dates.
2. Tenants in Common vestings ("TIC") are not acceptable to lender.
3. Power of Attorney signers (POA) are not acceptable to lender.
4. Tax and insurance escrows required.
5. Borrower must establish a deposit account with Axos Bank to be used as the Operating Account for the subject property. Lender to require year-end operating statements for the subject property to confirm account being used as such. Borrower will be required to enroll in AFT/ACH to have funds automatically transferred for payments. If this loan is a cash out refinance, Axos will deposit loan proceeds into this account at closing.
6. Borrower must establish an additional, separate restricted deposit account with Axos Bank for payment reserves at closing equal to 12 months of mortgage payments (including escrow/impounds, as required). During the first year of the loan, 50% of the monthly payment will be transferred from the Borrower's Operating Account to this Account. During the second and third years of the loan, 75% of monthly payments will be transferred from the Borrower's Operating Account to this Account. Borrower will be required to enroll in AFT/ACH to have funds automatically transferred for payments.
7. Lender to require that Borrower exit bankruptcy simultaneous to loan closing and all associated obligations satisfied.

Property Inspection/Appraiser Contact Information: Elya Kahn 347-760-5875

Property Contact/Onsite Manager: _____

Phone: _____

Additional Property Contact (Name & Number): _____

Title and Escrow Company Name(s): tbd

Title and Escrow Officer Name(s): _____

Phone: _____

Email: _____

Initial Here YML

Christopher McGowan at 917-833-9224





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NOW THAT YOU HAVE DECIDED TO MOVE FORWARD, THE PROCESS IS SIMPLE

Please provide the following documents to your Broker or Loan Officer within **5 business days** of submitting your signed LOI. This will assist us in moving your file forward as quickly as possible.

REQUIRED INITIAL DOCUMENTS		
1	Complete, Signed & Dated Loan Application	
2	Schedule of Real Estate Owned (Entity and/or Guarantor)	
3	Personal Financial Statement (PFS)	
4	Income and Expense Statement (YTD and last two full years)	
5	Current Rent Roll (signed/dated)	
6	Schedule E / Form 8825 for Subject Property (refinances only)	
7	Vesting Tree (Entity and Guarantor)	
8	Signed IRS Form 4506-T	
9	Preliminary Title Report- <i>The following Title Companies/Officers are acceptable to Lender.</i>	
	Elliot L. Hurwitz, Chief Commercial Counsel Chicago Title Insurance Company 711 Third Avenue New York, NY 10017 (212) 880-1205 elliot.hurwitz@ctt.com	Maggie Watson Chicago Title Insurance Company 26415 Carl Boyer Drive, Suite 255 Santa Clarita, CA 91350 (661) 753-5701 Maggie.Watson@CTT.com
	Gary R. Cortellessa, Esq., SVP Stewart Title Guaranty Company – Commercial services 1730 Rhode Island Avenue, NW, Suite 610 Washington, DC 20036 (202) 753-3851 gcortellessa@stewart.com	
	Janis Okerlund, Esq., SVP, National Commercial Services Fidelity National Title 555 S. Flower, Suite 4420 Los Angeles, CA 90071 or 4400 MacArthur Blvd., Suite 200 Newport Beach, CA 92660 (562) 547-9754 JOkerlund@fnf.com	Esther C. Kopel, Principal Sutton Land Title Agency 515 Rockaway Avenue Valley Stream, NY 11581 Tel: 516.837.6208 Cell: 516.317.3411 ekopel@suttonalliance.com [if licensed in applicable jurisdiction(s)]
	Stefanie Lally-Ardrey, Esq., VP and Senior Underwriting Counsel Stewart Title Guaranty Company 929 Kings Highway East, 3rd Floor Fairfield, CT 06825 (646) 787-2617 stefanie.lally-ardrey@stewart.com	
	Helen Johnson 909-987-5433 helensunit@octitle.com Irene L. Genders, CSEO, CEO & CEI AVP, Area Escrow Manager Orange Coast Title 3536 Concours, Suite 120 Ontario, CA 91764 Phone: 909-987-5433, ext 4303 ireneg@octitle.com	Ron Sablan WFG Title 25240 Hancock Avenue Suite 405 Murrieta, CA 92562 (951)445-4186 x1018 rsablan@wfgtitleco.com
	Vince Martin, VP and Sales Manager WFG Title 858-805-0990 9665 Granite Ridge Drive Suite 430, San Diego, Ca 92123 vmartin@wfgtitleco.com	





Income Property Lending Credit Authorization Release

By signing below, I hereby authorize Axos BankTM, including its agents, successors, and assigns, ("Bank") to verify my bank records, credit history, and any other information deemed necessary in connection with my loan application.

I understand that as part of the verification process, a credit report will be ordered from a consumer-reporting agency prior to loan closing as part of the application process. I understand that use of a photocopy of this form may be necessary to verify one or more of my credit references. I authorize this use and request that a photocopy be honored.

By signing below, the undersigned hereby acknowledges making the above authorizations and certifies that the information provided herein is true and correct. The undersigned acknowledges that any information obtained may be disclosed to applicant, any prospective borrower or guarantor of the loan applied for, and any of their representatives, employees, and affiliates.

Section 1: Applicant Information (PLEASE PRINT LEGIBLY)

Name (legal): Mendy Lowy	Date of Birth: 08/28/1977	Name (legal): Isaac Schwartz	Date of Birth: 09/12/1974
Social Security Number: [REDACTED]-5196		Social Security Number: [REDACTED]06244	
Home Address (no P.O. Boxes): 94 N. GARFIELD RD.		Home Address (no P.O. Boxes): 1032 East 2nd	
City, State, ZIP Code: SPRING VALLEY, NY 10977		City, State, ZIP Code: Brooklyn NY 11230	
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried <input type="checkbox"/> Separated <input type="checkbox"/> California registered domestic partner/equivalent in another state("RDP")		Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried <input type="checkbox"/> Separated <input type="checkbox"/> California registered domestic partner/equivalent in another state("RDP")	

ATTENTION: Complete Sections 2 and 3 ONLY if:

- You will be the Borrower or Co-Borrower, AND
- The property is either an apartment or mixed-use where apartments generate more than 50% of the income or comprise more than 50% of the square footage.
- HOWEVER, all individuals (borrower, co-borrower, guarantor, co-guarantor, trustor, signing on behalf of any business entity) should provide an 'Applicant Signature' at the bottom of this form.

Section 2: Purpose of Loan

Loan Purpose <input type="checkbox"/> Purchase <input checked="" type="checkbox"/> Refinance	Lien Status <input type="checkbox"/> First <input type="checkbox"/> Second	Cash Out Purpose (refinance only) <input type="checkbox"/> Purchase <input type="checkbox"/> Property Improvements <input type="checkbox"/> Purchase Land <input type="checkbox"/> Purchase Residential/Apartments <input type="checkbox"/> Other
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Section 3: Information for Government Monitoring Purposes (MULTI-FAMILY PROPERTIES ONLY)

The following information is requested by the Federal Government for certain types of loans related to a dwelling, in order to monitor the Bank's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations the Bank is required to note ethnicity, race, and gender on the basis of visual observation or surname. If you do not wish to furnish the above information, please select the box below. (Bank must review the above material to assure that the disclosures satisfy all requirements to which the Bank is subject under applicable state law for the particular type of loan applied for.)

Borrower		Co-Borrower	
Race/National Origin (select ALL that apply): <input type="checkbox"/> American Indian or Alaskan Native – Enter name of enrolled or principal tribe: Asian (select ALL that apply) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Vietnamese <input type="checkbox"/> Other Asian – Enter Race: _____ <input type="checkbox"/> Black or African American <input checked="" type="checkbox"/> White <input type="checkbox"/> Native Hawaiian or Other Pacific Islander (select ALL that apply) <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Samoan <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Other Pacific Islander – Enter Race: _____ <input type="checkbox"/> I do not wish to provide this information	Ethnicity (select ONE choice): <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino (select ALL that apply) <input type="checkbox"/> Mexican <input type="checkbox"/> Puerto Rican <input type="checkbox"/> Cuban <input type="checkbox"/> Other Hispanic or Latino – Enter origin: _____ <input type="checkbox"/> I do not wish to provide this information	Race/National Origin (select ALL that apply): <input type="checkbox"/> American Indian or Alaskan Native – Enter name of enrolled or principal tribe: Asian (select ALL that apply) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Vietnamese <input type="checkbox"/> Other Asian – Enter Race: _____ <input type="checkbox"/> Black or African American <input checked="" type="checkbox"/> White <input type="checkbox"/> Native Hawaiian or Other Pacific Islander (select ALL that apply) <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Samoan <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Other Pacific Islander – Enter Race: _____ <input type="checkbox"/> I do not wish to provide this information	Ethnicity (select ONE choice): <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino (select ALL that apply) <input type="checkbox"/> Mexican <input type="checkbox"/> Puerto Rican <input type="checkbox"/> Cuban <input type="checkbox"/> Other Hispanic or Latino – Enter origin: _____ <input type="checkbox"/> I do not wish to provide this information
Sex (select ALL that apply): <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> I do not wish to provide this information	Sex (select ALL that apply): <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> I do not wish to provide this information	Sex (select ALL that apply): <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> I do not wish to provide this information	Sex (select ALL that apply): <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> I do not wish to provide this information

Applicant Signature (e-signatures not accepted)	Date: 06/25/20	Co-Applicant Signature (e-signatures not accepted)	Date: 06/25/20
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For Internal Use Only – To Be Completed by Interviewer

This application was taken: Borrower Co-Borrower <input type="checkbox"/> In person <input type="checkbox"/> In person <input type="checkbox"/> By mail <input type="checkbox"/> By mail <input type="checkbox"/> By phone <input type="checkbox"/> By phone	Interviewer Signature: X Print Interviewer Name: _____ Interviewer Phone Number: _____	Date: _____
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To be completed by the Financial Institution (for applications taken in person) – Check applicable box(es):

- ☐ Not Applicable
- ☐ Was the ethnicity of the applicant(s) collected on the basis of visual or surname?
- ☐ Was the race of the applicant(s) collected on the basis of visual or surname?
- ☐ Was the sex of the applicant(s) collected on the basis of visual or surname?